



General Assembly

January Session, 2013

Raised Bill No. 6531

LCO No. 3850



Referred to Committee on ENERGY AND TECHNOLOGY

Introduced by:
(ET)

***AN ACT PRESERVING AND RETAINING THE ENVIRONMENTAL
BENEFITS OF IN-STATE RESOURCES RECOVERY FACILITIES.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subdivision (27) of subsection (a) of section 16-1 of the
2 general statutes is repealed and the following is substituted in lieu
3 thereof (*Effective July 1, 2013*):

4 (27) (A) "Class II renewable energy source" means energy derived
5 from (i) a trash-to-energy facility [.] other than a Class IIA renewable
6 energy source, (ii) a biomass facility that began operation before July 1,
7 1998, provided the average emission rate for such facility is equal to or
8 less than .2 pounds of nitrogen oxides per million BTU of heat input
9 for the previous calendar quarter, or (iii) a run-of-the-river
10 hydropower facility provided such facility has a generating capacity of
11 not more than five megawatts, does not cause an appreciable change in
12 the riverflow, and began operation prior to July 1, 2003;

13 (B) "Class IIA renewable energy source" means energy derived from
14 a trash-to-energy facility located in the state of Connecticut that has no

15 outstanding bonded indebtedness;

16 Sec. 2. Section 16-245a of the general statutes is repealed and the
17 following is substituted in lieu thereof (*Effective July 1, 2013*):

18 (a) An electric supplier and an electric distribution company
19 providing standard service or supplier of last resort service, pursuant
20 to section 16-244c, shall demonstrate:

21 (1) On and after January 1, 2006, that not less than two per cent of
22 the total output or services of any such electric supplier or electric
23 distribution company shall be generated from Class I renewable
24 energy sources and an additional three per cent of the total output or
25 services shall be from Class I or Class II renewable energy sources;

26 (2) On and after January 1, 2007, not less than three and one-half per
27 cent of the total output or services of any such electric supplier or
28 electric distribution company shall be generated from Class I
29 renewable energy sources and an additional three per cent of the total
30 output or services shall be from Class I or Class II renewable energy
31 sources;

32 (3) On and after January 1, 2008, not less than five per cent of the
33 total output or services of any such electric supplier or electric
34 distribution company shall be generated from Class I renewable
35 energy sources and an additional three per cent of the total output or
36 services shall be from Class I or Class II renewable energy sources;

37 (4) On and after January 1, 2009, not less than six per cent of the
38 total output or services of any such electric supplier or electric
39 distribution company shall be generated from Class I renewable
40 energy sources and an additional three per cent of the total output or
41 services shall be from Class I or Class II renewable energy sources;

42 (5) On and after January 1, 2010, not less than seven per cent of the
43 total output or services of any such electric supplier or electric

44 distribution company shall be generated from Class I renewable
45 energy sources and an additional three per cent of the total output or
46 services shall be from Class I or Class II renewable energy sources;

47 (6) On and after January 1, 2011, not less than eight per cent of the
48 total output or services of any such electric supplier or electric
49 distribution company shall be generated from Class I renewable
50 energy sources and an additional three per cent of the total output or
51 services shall be from Class I or Class II renewable energy sources;

52 (7) On and after January 1, 2012, not less than nine per cent of the
53 total output or services of any such electric supplier or electric
54 distribution company shall be generated from Class I renewable
55 energy sources and an additional three per cent of the total output or
56 services shall be from Class I or Class II renewable energy sources;

57 (8) On and after January 1, 2013, not less than ten per cent of the
58 total output or services of any such electric supplier or electric
59 distribution company shall be generated from Class I renewable
60 energy sources and an additional three per cent of the total output or
61 services shall be from Class I or Class II renewable energy sources;

62 (9) On and after January 1, 2014, not less than eleven per cent of the
63 total output or services of any such electric supplier or electric
64 distribution company shall be generated from Class I renewable
65 energy sources, [and] an additional three per cent of the total output or
66 services shall be from Class I or Class II renewable energy sources and
67 an additional two per cent of the total output or services shall be from
68 Class IIA renewable energy sources;

69 (10) On and after January 1, 2015, not less than twelve and one-half
70 per cent of the total output or services of any such electric supplier or
71 electric distribution company shall be generated from Class I
72 renewable energy sources, [and] an additional three per cent of the
73 total output or services shall be from Class I or Class II renewable
74 energy sources and an additional two per cent of the total output or

75 services shall be from Class IIA renewable energy sources;

76 (11) On and after January 1, 2016, not less than fourteen per cent of
77 the total output or services of any such electric supplier or electric
78 distribution company shall be generated from Class I renewable
79 energy sources, [and] an additional three per cent of the total output or
80 services shall be from Class I or Class II renewable energy sources and
81 an additional two per cent of the total output or services shall be from
82 Class IIA renewable energy sources;

83 (12) On and after January 1, 2017, not less than fifteen and one-half
84 per cent of the total output or services of any such electric supplier or
85 electric distribution company shall be generated from Class I
86 renewable energy sources, [and] an additional three per cent of the
87 total output or services shall be from Class I or Class II renewable
88 energy sources and an additional two per cent of the total output or
89 services shall be from Class IIA renewable energy sources;

90 (13) On and after January 1, 2018, not less than seventeen per cent of
91 the total output or services of any such electric supplier or electric
92 distribution company shall be generated from Class I renewable
93 energy sources, [and] an additional three per cent of the total output or
94 services shall be from Class I or Class II renewable energy sources and
95 an additional two per cent of the total output or services shall be from
96 Class IIA renewable energy sources;

97 (14) On and after January 1, 2019, not less than nineteen and one-
98 half per cent of the total output or services of any such electric supplier
99 or electric distribution company shall be generated from Class I
100 renewable energy sources and an additional three per cent of the total
101 output or services shall be from Class I or Class II renewable energy
102 sources;

103 (15) On and after January 1, 2020, not less than twenty per cent of
104 the total output or services of any such electric supplier or electric
105 distribution company shall be generated from Class I renewable

106 energy sources and an additional three per cent of the total output or
107 services shall be from Class I or Class II renewable energy sources.

108 (b) An electric supplier or electric distribution company may satisfy
109 the requirements of this section (1) by purchasing certificates issued by
110 the New England Power Pool Generation Information System,
111 provided the certificates are for (A) energy produced by a generating
112 unit using Class I or Class II renewable energy sources and the
113 generating unit is located in the jurisdiction of the regional
114 independent system operator, [or] (B) energy produced by a
115 generating unit using a Class IIA renewable energy source and the
116 generating unit is located in the state of Connecticut, or (C) energy
117 imported into the control area of the regional independent system
118 operator pursuant to New England Power Pool Generation
119 Information System Rule 2.7(c) [as] in effect on January 1, 2006; (2) for
120 those renewable energy certificates under contract to serve end-use
121 customers in the state on or before October 1, 2006, by participating in
122 a renewable energy trading program within said jurisdictions as
123 approved by the Public Utilities Regulatory Authority; (3) by
124 purchasing eligible renewable electricity and associated attributes from
125 residential customers who are net producers.

126 (c) Any supplier who provides electric generation services solely
127 from a Class II or Class IIA renewable energy source shall not be
128 required to comply with the provisions of this section.

129 (d) An electric supplier or an electric distribution company shall
130 base its demonstration of generation sources, as required under
131 subsection (a) of this section on historical data, which may consist of
132 data filed with the regional independent system operator.

133 (e) (1) [A] An electric supplier or an electric distribution company
134 may make up any deficiency within its renewable energy portfolio
135 within the first three months of the succeeding calendar year or as
136 otherwise provided by generation information system operating rules

137 approved by New England Power Pool or its successor to meet the
138 generation source requirements of subsection (a) of this section for the
139 previous year.

140 (2) No such electric supplier or electric distribution company shall
141 receive credit for the current calendar year for generation from Class I,
142 [or] Class II or Class IIA renewable energy sources pursuant to this
143 section where such electric supplier or electric distribution company
144 receives credit for the preceding calendar year pursuant to subdivision
145 (1) of this subsection.

146 (f) The authority shall adopt regulations, in accordance with the
147 provisions of chapter 54, to implement the provisions of this section,
148 except that no such regulations shall be adopted with respect to Class
149 IIA renewable energy sources.

150 (g) (1) Notwithstanding the provisions of this section and section 16-
151 244c, [for periods beginning on and after January 1, 2008,] each electric
152 distribution company may procure renewable energy certificates (A)
153 from Class I [,] or Class II [and Class III] renewable energy sources or
154 Class III sources through long-term contracting mechanisms, for
155 periods beginning on and after January 1, 2008, and (B) from Class IIA
156 renewable energy sources through long-term contracting mechanisms,
157 for any period between January 1, 2014 and December 31, 2018. The
158 electric distribution companies may enter into long-term contracts for
159 (i) not more than fifteen years to procure such renewable energy
160 certificates from Class I or Class II renewable energy sources or Class
161 III sources; or (ii) any period between January 1, 2014 and December
162 31, 2018, to procure renewable energy certificates from Class IIA
163 renewable energy sources. The electric distribution companies shall
164 use any renewable energy certificates obtained pursuant to this section
165 to meet their standard service and supplier of last resort renewable
166 portfolio standard requirements.

167 (2) On or before July 1, 2007, the authority shall initiate a contested

168 case proceeding to examine whether long-term contracts should be
169 used to procure Class I, Class II and Class III certificates. In such
170 examination, the authority shall determine (A) the impact of such
171 contracts on price stability, fuel diversity and cost; (B) the method and
172 timing of crediting of the procurement of renewable energy certificates
173 against the renewable portfolio standard purchase obligations of
174 electric suppliers and the electric distribution companies pursuant to
175 subsection (a) of this section; (C) the terms and conditions, including
176 reasonable performance assurance commitments, that may be imposed
177 on entities seeking to supply renewable energy certificates; (D) the
178 level of one-time compensation, not to exceed one mill per kilowatt
179 hour of output and services associated with the renewable energy
180 certificates purchased pursuant to this subsection, which may be
181 payable to the electric distribution companies for administering the
182 procurement provided for under this subsection and recovered as part
183 of the generation services charge or through an appropriate
184 nonbypassable rate component on customers' bills; (E) the manner in
185 which costs for such program may be recovered from electric
186 distribution company customers; and (F) any other issues the authority
187 deems appropriate. Revenues from such compensation shall not be
188 included in calculating the electric distribution companies' earnings to
189 determine if rates are just and reasonable, for earnings sharing
190 mechanisms or for purposes of sections 16-19, 16-19a and 16-19e.

191 (h) Notwithstanding any provision of this section, (1) the price paid
192 by any electric supplier or electric distribution company for renewable
193 energy certificates generated by a Class IIA renewable energy source
194 shall be not less than four and one-half cents per kilowatt hour of the
195 output from such Class IIA renewable energy source, and (2) the
196 purchase obligations from a Class IIA renewable energy source
197 described in subdivisions (9) to (13), inclusive, of subsection (a) of this
198 section shall (A) be reduced by any amount that such purchase
199 obligations exceed the supply of such output, as determined by the
200 Public Utility Regulatory Authority, and (B) expire on January 1, 2019.

201 Any electric supplier or electric distribution company seeking a
202 determination by the authority pursuant to this subsection shall, as a
203 condition to obtaining such determination, demonstrate to the
204 authority reasonable efforts to comply with the requirements of this
205 section concerning Class IIA renewable energy sources.

206 (i) The owner of a Class IIA renewable energy source shall use all
207 revenue from the sale of renewable energy certificates generated by
208 such source to reduce tipping fees paid to such source.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2013</i>	16-1(a)(27)
Sec. 2	<i>July 1, 2013</i>	16-245a

Section 1	<i>July 1, 2013</i>	16-1(a)(27)
Sec. 2	<i>July 1, 2013</i>	16-245a

Statement of Purpose:

To define in-state trash-to-energy facilities without bonded indebtedness as Class IIA renewable energy sources, and to establish a temporary market for renewable attributes of such sources.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]